



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6232-N-01]

### **Guidelines for Certain HUD Approvals Regarding Properties Encumbered by HUD-Held Mark-to-Market Program Debt and Portfolio Reengineering Demonstration Program Debt**

**AGENCY:** Office of the Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

**ACTION:** Notice.

**SUMMARY:** This *Federal Register* Notice announces that HUD has posted a draft Notice, “Guidelines for Certain HUD Approvals Regarding Properties Encumbered by HUD-Held Mark-to-Market Program Debt and Portfolio Reengineering Demonstration Program Debt,” on the Multifamily Drafting Table on HUD’s website for public feedback. The draft Notice is intended to replace Housing Notice 2012-10, “Guidelines for Assumption, Subordination, or Assignment of Mark-to-Market (M2M) Loans in Transfer of Physical Assets (TPA) and Refinance Transactions” in its entirety.

**DATES:** The draft Notice will be available for feedback for 30 days after publication in the *Federal Register*.

**ADDRESSES:** Interested persons are invited to submit questions or comments electronically to [postM2M@hud.gov](mailto:postM2M@hud.gov).

**FOR FURTHER INFORMATION CONTACT:** To assure a timely response, please direct requests for further information electronically to the email address [postM2M@hud.gov](mailto:postM2M@hud.gov). Written requests may also be directed to the following address: Office of Housing—Office of Recapitalization; Department of Housing and Urban Development; 451 7th Street SW, Room 6230; Washington, DC 20410; or by telephone at 202-708-0001 (this is not a toll-free number).

Persons with hearing or speech impairments may access this number through TTY by calling the Federal Relay Service at (800) 877-8339 (this is a toll-free number).

**SUPPLEMENTARY INFORMATION:** The draft Notice posted on the Multifamily Housing Drafting Table provides new instructions for the acquisition and/or refinancing of projects after they have been through a Mark-to-Market Program (“M2M”) debt restructuring or a Portfolio Reengineering Demonstration Program (“Demo Program”) restructuring and are encumbered by HUD-held debt (collectively referred to as “Post-M2M” activities). In addition, Section 3 of the draft Notice would replace Appendix C of the Mark-to-Market Operating Procedures Guide regarding transfers of assets to qualified nonprofits, Section 4 covers matured and outstanding M2M or Demo Program debt, and Section 5 contains guidance that supplements HUD’s previously issued 8(bb) Notice (H-2015-03), and this supplemental guidance may also be relied upon by owners of projects with satisfied M2M subordinate debt obligation(s) that remain encumbered by a M2M Use Agreement and continue to benefit from a Full M2M Renewal Contract. The draft Notice will be available for feedback for 30 days at the following URL: [https://www.hud.gov/program\\_offices/housing/mfh/MFH\\_policy\\_drafts](https://www.hud.gov/program_offices/housing/mfh/MFH_policy_drafts)

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